

HCS SB 620 -- INSURANCE

SPONSOR: Rupp (Gosen)

COMMITTEE ACTION: Voted "do pass" by the Committee on Insurance Policy by a vote of 11 to 0.

This substitute changes the laws regarding the reporting of insurance fraud and life insurance companies.

REPORTING OF INSURANCE FRAUD

Currently, insurers and others can share information related to insurance fraud investigations without being subject to civil liability for libel. The substitute expands the immunity afforded to insurers and others for filing reports and furnishing other information related to an insurance fraud investigation so that the insurer will not be subject to civil liability of any kind, including libel and slander.

A civil cause of action of any nature cannot arise against a person for furnishing or receiving information related to suspected or anticipated fraudulent insurance acts to or from:

- (1) Law enforcement officials and their agents and employees;
- (2) Persons subject to the Fraudulent Insurance Act; and
- (3) Reports to a federal or state agency or office, the National Association of Insurance Commissioners, the National Insurance Crime Bureau, or any other organization established to detect and prevent fraudulent insurance acts; their agents, employees, or designees; or a department-recognized comprehensive database system.

LIFE INSURANCE COMPANIES

The substitute allows 13 or more persons to form a company to sell life insurance policies outside of the United States for coverage of nonlife risks that are attached as riders to individual life insurance policies if the aggregate premium assumed on an annual basis under the nonlife risks does not exceed 3% of the capital and surplus of the company as of December 31 of the preceding year.

FISCAL NOTE: No impact on state funds in FY 2013, FY 2014, and FY 2015.

PROPONENTS: Supporters say that the bill gives domestic insurance companies located in this state the authority to write

or assume business outside the United States. Standard life insurance in the United States is not like life insurance sold in foreign countries. Other nations include specialty riders in life insurance policies. These provisions open doors for the United States and Missouri to do more business in foreign countries but does not allow foreign life policies to be written inside our country. The bill will allow a firm to submit a bid as a rider on a life insurance policy. Reinsurance firms are missing out on one-third of the foreign business growth opportunities that exist in the life insurance market.

Testifying for the bill were Representative Gosen; and Reinsurance Group of America.

OPPONENTS: There was no opposition voiced to the committee.